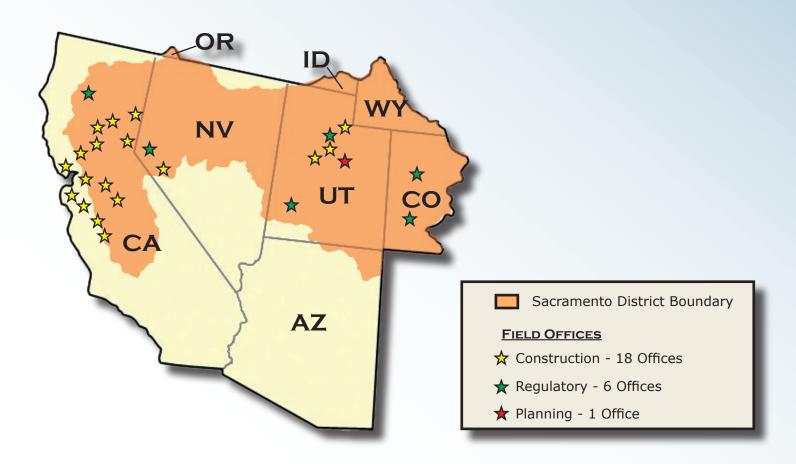


#### FROM THE DISTRICT ENGINEER

As your federal engineer we have a responsibility to provide you with the service that you expect and deserve in the most efficient, cost effective, responsive manner possible. We work very hard to do that every day.

In this, our first annual report to our customers and partners, we document our efforts to help you be successful. We cover some of our history, missions, the Sacramento District people who serve you, how we're spending your dollars, and how we'll continue to serve you.





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#### **Executive Office - (916) 557-7490**

District Engineer, Colonel Ronald Light
Deputy District Engineer, Lieutenant Colonel Jim Porter
Deputy District Engineer for Project Management, Dr. Christine Altendorf
Chief of Staff, Debora Richert
Customer Advocacy Administrator, Mark Cowan

Public Affairs Office - (916) 557-5100

## COMPLETING THE MISSION

The U.S. Army Corps of Engineers, Sacramento District, traces its origins to the California Gold Rush when, in 1893, Congress charged the Corps of Engineers with regulating hydraulic mining to control mining debris that was clogging Sacramento Valley rivers. In 1929, the Sacramento District became an official Corps District, serving as the federal engineer for parts of eight western states.

While our mission has broadened and changed over the years, one thing has remained constant — the District exists to serve.

Our staff of professionals supports the nation through civil works and military planning, design, construction, and operations programs. As part of these efforts, we protect and enhance the nation's environmental resources, support our country's War on Terror, prepare for and respond to natural disasters, build flood damage reduction facilities, and manage one of the nation's largest recreation programs.

Missions	# of Projects	
CIVIL WORKS	117	
Military	82	
Interagency & International Services	43	
Hazardous, Toxic & Radioactive Waste	348	
Reimbursable*	258	
Total Projects: 848		

<sup>\*</sup> REIMBURSABLE INCLUDES ALL PROJECTS WHERE WE RECEIVE THE FUNDING DIRECT FROM MILITARY INSTALLATIONS.



# THE PEOPLE WHO ARE THE SACRAMENTO DISTRICT

We are Department of the Army engineers, geologists, archaeologists, chemists, biologists, attorneys, real estate specialists, contract specialists, accountants, logisticians, historians, administrators, park rangers, a variety of scientists and support staff.

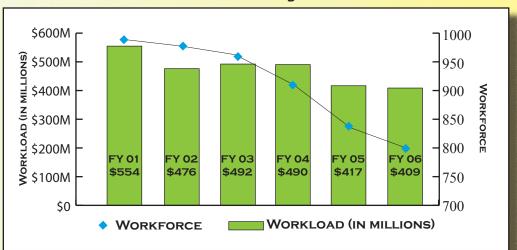
The expertise of our 800 staff members is reflected by the fact that many have obtained licenses or registration for their profession. The Sacramento District has 280 certified professionals, more than 150 of whom are certified in the field of engineering.

#### **TRAINING** We believe it is important to invest in our workforce's development, so they can provide you with the best service possible. In comparison, the District invests more in training than the industry average. **PSMJ** PERFORMANCE SACRAMENTO INDUSTRY SURVEY DISTRICT **AVERAGE\* INDICATOR** \$775 PER \$620 PER TRAINING **PERSON PERSON** \* THE INDUSTRY AVERAGE DATA WERE COLLECTED BY PSMJ RESOURCES, INC.

#### WORKFORCE V. WORKLOAD

Balancing workload and workforce is a constant challenge. In 2006, our workforce decreased, but our workload remained strong.

To ensure efficiency and seamless transition of workload, we implemented a transition plan when team members change. These plans help maintain consistency for you and your projects.



#### SACRAMENTO DISTRICT V. INDUSTRY AVERAGES

In 2006, we analyzed our workforce against industry averages. This analysis showed that while we beat the industry averages in several areas, we still have room for improvement. Here's how we compare to industry:

First, the District employs more technical staff than the industry average. This benefits your projects because it provides our Project Managers with more technical expertise. Also, our turnover rate in 2006 was 3% to 5% lower than the industry average. This means we retain more of our expertise to better serve you.

Second, our total labor multiplier is below the industry average. This multiplier is the fully burdened rate that we charge you. Our rate is composed of base salaries, department overhead, general and administrative costs, and employees' benefits.

Finally, our leasing costs per building staff member are higher than industry average. To address this, in 2006 we returned 27,164 square feet of office space at a savings of \$780,000 per year. More reductions will occur in 2007.

PSMJ PERFORMANCE SURVEY INDICATOR	SACRAMENTO DISTRICT	INDUSTRY AVERAGES*		
TECHNICAL TO NON-TECHNICAL STAFF RATIO	8:1	5:1		
TECHNICAL STAFF TO PROJECT MANAGER RATIO	6:1	5:1		
TURNOVER RATE	12%	15 - 17%		
TOTAL LABOR MULTIPLIER	2.7	2.9 - 3.1		
LEASING COSTS PER BUILDING STAFF MEMBERS	\$5,927	\$4,145 - \$4,904		

<sup>\*</sup> THE INDUSTRY AVERAGES DATA WERE COLLECTED BY PSMJ RESOURCES, INC.

## SERVING OUR CUSTOMERS

#### **CUSTOMER SATISFACTION SURVEY**

Each year, we ask you, our military, civil and agency customers and partners, to rate our performance in an annual survey. This year, 252 of you received the annual survey. We rely on this survey information to continually improve our service to you.

Here is a summary of what you said in your 2006 Customer Surveys:

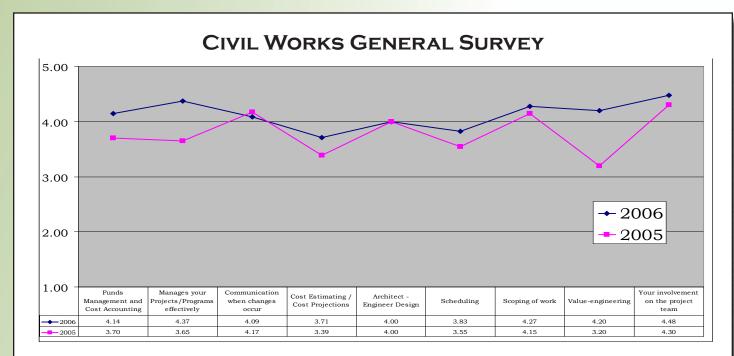
Program	HIGH PERFORMANCE	NEEDS IMPROVEMENT
CIVIL Works	Environmental Compliance (4.6)  Communication (4.6)  Project Management (4.6)	CONSTRUCTION MANAGEMENT (2.6)  DESIGN - INCL. IN-HOUSE (3.0)  FUNDS MANAGEMENT (THEME*)  INDIVIDUAL PROJECT ISSUES
MILITARY	PLANNING CHARETTE (4.8)  DESIGN - INCL. IN-HOUSE & A-E (4.7)  ENVIRONMENTAL TECH SUPPORT (4.7)	No Themes or Averages ≤ 3.0 Individual Project Issues

The survey rated the Sacramento District on a scale of 1 (low) to 5 (high). Our average score is indicated in parentheses.

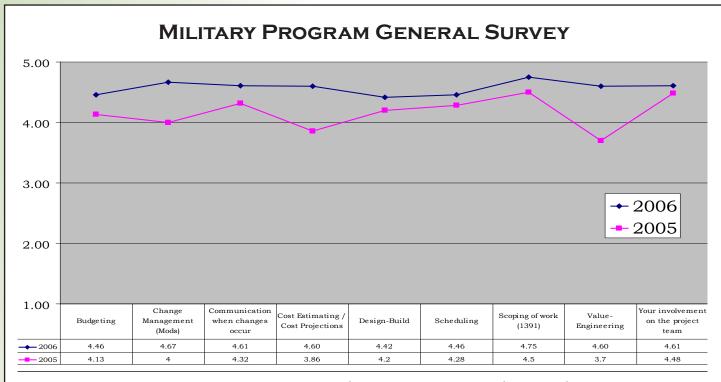
To address the above issues, we have developed specific action plans for:

- Every survey with any rating at or below 3.0.
- Those that requested specific action, regardless of the rating number.
- Survey trends that identified areas to improve our internal processes.

We have assigned a senior staff person to each customer and partner to assess the success of these action plans. They will be verifying that we are doing what we said we would do and assessing if the action plan process was valuable to you.



We sent surveys to 138 civil works partners, who rated our overall performance at 4.02. That's up from last year's 3.80 rating.



We sent surveys to 114 military customers, who rated our overall performance at 4.40. That's up from last year's 4.25 rating.

<sup>\*</sup> Themes are areas which were not included in the survey, but were mentioned by many of you in the comment area.

The Sacramento District works with state and local governments, as well as public agencies, to design and construct projects to protect human life, reduce flood damages, maintain navigation, restore abandoned mines sites and improve watersheds.



We provide assistance to large urbanized areas such as Sacramento and Reno, as well as smaller rural communities such as Hamilton City, CA; Ruth, NV; Moroni, UT; and Mesa County, CO.

#### American River Watershed Project

In 2006, we partnered with the U.S. Bureau of Reclamation to create a Joint Federal Project at Folsom Dam. The joint effort, which also includes our partners at the State of California and Sacramento Area Flood Control Agency (SAFCA), focuses on constructing a new auxiliary spillway at the dam. The spillway (rendering to right) will meet the District's goal to reduce Sacramento's risk of flooding to a one in 200 chance in any given year, and will also meet Reclamation's dam safety requirement measures.

Also, we continued to make progress on Folsom Bridge. Following the events of September 11, 2001, Folsom Dam Road was closed to public access. In response, we are working with the city of Folsom, CA, to build a new bridge across the American River. Folsom Bridge is expected to open to traffic by January 2009 (rendering below).





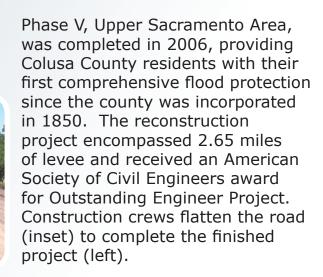
Critical Erosion Sites

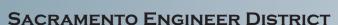
Following the California flood events in January and April 2006, the District identified numerous levee sites that were at risk of failing. In response, we teamed with SAFCA and the State of California to complete repairs before the 2007 rainy season. A crane lays rock from a barge (right) to prevent erosion (below).











The Sacramento District Military Program primarily focuses on Air Force and Army funded construction

#### MILITARY PROGRAM

projects, but supports other Department of Defense agencies as requested. Examples of our projects include the construction of barracks, hospitals, airfields, weapons testing facilities, and maintenance facilities.

As part of our regional efforts, we also support the Los Angeles District of the Corps of Engineers with the design of military facilities and projects.

#### Fitness Center at Hill AFB

In 2006, the Sacramento District completed a new fitness center at Hill Air Force Base in Utah. The center was equipped with exercise equipment, athletic courts, and an indoor rock climbing wall for use by personnel and their families.

Phases included the completion of the fitness center (right), the ribbon-cutting ceremony (below right) and the opening to the public (below).





The Sacramento District completed the paving of the fixed wing runway at Michael Army Airfield in Dugway, Utah (in progress [above] and completed [left]). This 11,000-foot runway was recognized by the Utah chapter of the American Concrete Paving Association as the best Portland cement paving military airport project completed in Utah in 2006.

#### Bakersfield Readiness Center

Completed in March 2006, the Bakersfield Readiness Center was constructed to serve the peace time missions of the California Army National Guard. Supporting facilities, physical security measures, and cost-effective energy conservation features were incorporated into the center's design.

A similar readiness center was also constructed in Lancaster, CA (below).





The Sacramento District provides environmental expertise in support of our Civil Works and Military missions. We evaluate the environmental consequences of proposed actions, as well as ensure compliance with environmental laws.



We prepare environmental documents, issue permits and design mitigation and conservation projects for wildlife habitat.

The District's Regulatory boundary includes four states and several of

### Regulatory Program

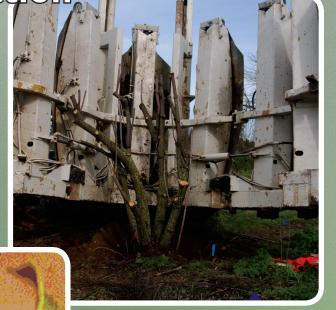
the most rapidly developing areas in the United States. The District evaluates over 2,000 permit applications and other actions each year within its boundary. In 2006, in response to such a heavy workload, we hired additional staff, which included leveraging funds from non-federal entities, streamlined internal procedures, and worked collaboratively with other agencies to more effectively serve the needs of the public and to improve customer and partner relationships. This resulted in a reduction in the workload backlog and improved execution. For example, in a six county area of California, comprised of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba Counties, we had a 33% reduction in the workload backlog.

Habitat Conservation

The District, U.S. Fish and Wildlife Service, and Sacramento County Parks formed an innovative partnership to address compensation needs associated with the American River Watershed Projects. This partnership has resulted in a streamlined Section 7 ESA consultation, as well as a plan that maximizes habitat connectivity for the Federally listed Valley Elderberry Longhorn Beetle (below). In 2006, we completed conservation efforts on 3 of the 30 planned acres of habitat conservation for the American

River Watershed Projects. These conservation efforts will continue over the next year.

A tree spade is prepared to transplant an elderberry shrub (right).



## Formerly Used Defense Sites (FUDS) Cleanup of Pyramid Lake

The Sacramento District conducts environmental cleanup of contamination at former military sites as part of a nationwide program. Cleaning these sites reduces the health and safety threat to nearby communities. There are approximately 450 suspected hazardous waste sites within the District boundary. In 2006, we worked on 34 of these sites.

The District's FUDS team, the Paiute Indian Tribe, and the U.S. Navy worked together to remove ordnance at the bottom of Pyramid Lake, NV, which is a vital resource for the Paiute Tribe. The ordnance was a result of target practice during World War II, and has posed a continuing threat to the health of the lake. This innovative, multi-agency effort was recognized with a Department of Defense

Environmental Award from the Secretary of Defense and a Department of the Army Environmental Award from the Secretary of the Army.





In addition to protecting life and property during emergency flooding in the Sacramento District, we respond to other natural disasters by providing assistance nation-wide.

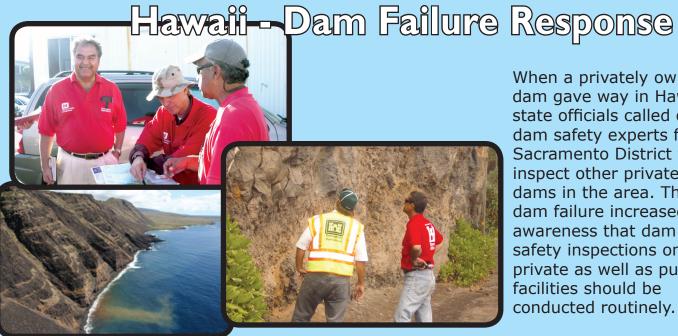
## EMERGENCY RESPONSE

In 2006, we sent team members to Hawaii to support emergency response efforts after a large earthquake. We also continued to support reconstruction efforts in New Orleans.

Water Management

Two storms and a historic snowmelt kept Corps water managers in flood fight mode from early January until late June. With rivers rising and reservoirs filling, the Corps took control of the Central Valley's massive and intricate system of weirs, storage facilities and channels, and by coordinating with more than a dozen local and state water agencies were able to keep flood waters at bay. This flood fight effort validated the Corps' public safety approach of advocating immediate, effective coordination with partners and providing expert knowledge of the system to increase public safety.

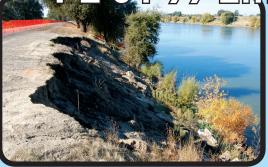




When a privately owned dam gave way in Hawaii, state officials called on dam safety experts from Sacramento District to inspect other private dams in the area. The dam failure increased awareness that dam safety inspections on private as well as public facilities should be conducted routinely.



PL-84-99-Emergency Site Repairs



After severe winter and spring storms hit California's Central Valley, levee owners eligible for the Corps' Rehabilitation and Inspection Program sought assistance. The Corps, the California Department of Water Resources and The Reclamation Board formed joint, multi-disciplinary inspection teams that evaluated more than 400 storm-damaged levee sites along the San Joaquin and Sacramento Rivers. The

practice of using local agencies to provide logistical and patrolling services, engaging State resources to coordinate with contractors, and employing Corps geotechnical and structural engineering expertise to design fixes to storm-damaged sites succeeded. State and federal crews repaired more than 40 of the most severely damaged sites by the end of 2006 at a cost of roughly \$60 million.



#### Water Safety



In California, the Sacramento District operates recreation areas (parks) at nine flood control lakes and one river project. The District welcomes approximately 26 million visitors each year to our parks.

Educating the public and providing programs on water safety are continuous goals for our park offices. We are always looking for new ideas and ways to stress the importance of water safety. In 2006, various new programs were implemented to complete this mission.

### S.S. Water Safety Trailer docks at Hensley

The S.S. water safety trailer at Hensley Lake is one of our newest tools for educating the public on water safety (at right).

While the trailer is stationed at Hensley Lake, the trailer's size and mobility makes it ideal for participating in fairs, exhibits, trade shows, and traveling to the other parks within the Sacramento District.





Buck





**Bobby** 

2006 ANNUAL REPORT

Meet our new Water Safety Experts The District's parks have hired four

new water experts to help teach young visitors about water safety. Ranger Buck, Bobber Dog, Bobby Beaver and Seamoor Serpent (below) answer questions and discuss the importance of water safety.



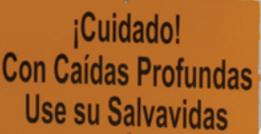
The life jacket loaner program was implemented in 2006 at each of the parks in the Sacramento District. The program not only helps promote water safety, it provides free life jackets for families who aren't able to afford them. Each park has several sizes available for children and adults.

The loaner program has been so successful that life jackets were being issued within 30 minutes of opening on weekends at the Stanislaus River Parks.

Additionally, bilingual signs have been placed at our parks to help make our non-English speaking visitors aware of potential hazards.







In 2006, the Sacramento District continued to serve in Iraq and Afghanistan to help the people in those war-torn countries rebuild their lives.

18

# SUPPORT TO THE ARMED FORCES

In addition, the Corps continues to work with the Army, Navy, Marine Corps, and Air Force throughout the District to serve their recruiting facilities' needs.



The Real Estate Division at the Sacramento District supports the U.S. military's recruiting program by locating, leasing, and managing recruiting facilities in northern and central California, most of Nevada, and all of Utah. Currently, we lease 384 recruiting offices for the Army (104), Navy (103), Marine Corps (77), and Air Force (100). The services we provide to recruiters, such as the one above in Marin County, CA, range from arranging janitorial services to real estate support such as market surveys and negotiating leases.







In 2006, we deployed 13 team members to aid with construction projects. To date, more than 73 District team members have been or are currently in Iraq, Afghanistan, and other Middle East countries supporting the War on Terror. They are part of the Corps of Engineers' mission to provide quality, responsive, full spectrum engineering services in support of military construction and logistical services.

Members of the Sacramento District worked hard to aid in the construction of new buildings, maintenance of dams and other infrastructure and supervision of daily activities. Other efforts we are involved with include designing and building facilities for electrical power generation and transmission, communication, security, justice, health, education, water and sewer, and oil production.









SACRAMENTO ENGINEER DISTRICT 2006 ANNUAL REPORT 19



We will continue to work hard for you this year. Some areas that we are focusing on in 2007 to better serve you include:

**Workforce** – We are working hard to train, mentor and coach our workforce so that they can provide you with the best service possible. Treat them as members of your team!

**Industry Averages** – We will continue to analyze how our business practices compare to industry averages and will update you on our progress over the next year.

**Cost Reductions** – In 2007, we've reduced our technical indirect overhead rates by 9%. We will continue to look for additional ways to operate more efficiently.

**Customer Satisfaction Survey Data** – We will continue to use your input from the Annual Customer Survey and will be conducting another customer satisfaction survey this year, so please tell us how we are doing and/or what we could be doing better for you. Help us see the District through your eyes.

**Civil Works Program** – We will continue to work hard on planning, designing, building, and operating water resources and other civil works projects in 2007, with focus on flood damage reduction in the Central Valley Area, CA. We anticipate \$110 million of federal funds in 2007.

**Military Program** – In 2007, we will continue to design and manage the construction of your military facilities, and provide support for other Defense and federal agencies through our Interagency and International Services Program. We anticipate a program size of \$288.5 million.

**Regulatory Program** – The Sacramento District will continue its drive to improve performance and execution in issuing permits. In 2007, the District plans to hire key personnel and make investments in large-scale planning efforts to streamline permitting. Greater focus will be placed on permit compliance. The District is anticipating new regulations, including a rule on Compensatory Mitigation and a set of Nationwide Permits, as well as guidance on a recent U.S. Supreme Court decision affecting Corps jurisdiction.

**Emergency Response** – The Sacramento District stands ready to respond to any natural disasters. We will be ready to provide assistance to the nation whenever, and wherever, needed. When employees do deploy, we pledge to conduct an effective transition of their duties so you experience minimal loss of service or continuity.

**Water Safety** – Educating the public on water safety will continue through 2007. We will continue to upgrade our facilities and protect the public. Come and Visit!

**Support to the Armed Forces** – Members of the Sacramento District will continue to support the War on Terror and will provide support to the recruiting program. Our goal is to equip Department of Defense recruiters with safe, clean and bright facilities to enhance their effectiveness.



The Sacramento District exists to serve.

Thank you for allowing us to serve you during 2006.



## U.S. ARMY CORPS OF ENGINEERS SACRAMENTO DISTRICT

FOR MORE INFORMATION
ON THE SACRAMENTO DISTRICT
YOU CAN VISIT OUR WEBSITE AT

WWW.SPK.USACE.ARMY.MIL

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